

FILED 06 MAR 14 17:30 USDC-ORE

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF OREGON

JEROME BOYD BERRYHILL,

Civil No. 05-810-AA  
OPINION AND ORDER

Plaintiff,

vs.

ROD MINARIK,

Defendant.

Ann Berryhill Witte  
Attorney at Law  
812 SW Washington St. #910  
Portland, OR 97205  
Attorney for plaintiff

David Moule  
Moule & Frank, Lawyers  
259 E. 5<sup>th</sup> Ave.  
Eugene, OR 97401  
Attorney for defendant

AIKEN, Judge:

Plaintiff Jerome Berryhill brought this action for copyright infringement under 17 U.S.C. § 501, seeking an injunction to prevent defendant Rod Minarik from distributing a computer program for which Berryhill wrote code, as well as payment for damages. Minarik denied infringement and filed a counterclaim for intentional interference with his business, alleging Berryhill wrongfully registered the computer program

as a sole copyright holder because the program was developed jointly. Berryhill then filed a motion for summary judgment, relying on his copyright registration with the U.S. Copyright Office, and a motion to dismiss defendant's claim of intentional interference with business relations. For reasons stated below, plaintiff's motions are denied.

## BACKGROUND

In 2003, defendant Minarik hired plaintiff Berryhill to create a new version of Minarik's 18-year old software application for operating a telephone answering service. Minarik's original version ran in a DOS environment, but once Microsoft stopped supporting DOS applications, Minarik needed the software translated into a computer language supported by Microsoft Windows. The specific working arrangements between Berryhill and Minarik are unclear from the record developed thus far, but it appears Berryhill began work on the new code, with Minarik directing changes to create the functionality desired. Their working relationship deteriorated around November 2004 over allocation of profits for the revised program titled "Nova TAS System," and the two individuals ultimately parted ways. In December 2004, Berryhill learned Minarik was still offering Nova TAS for sale and actively recruiting a new computer programmer.

On March 25, 2005, Berryhill filed an application for sole copyright registration of Nova TAS with the U.S. Copyright Office. On April 14, he hired an attorney to send Minarik a cease and desist letter to halt distribution of Nova TAS. Berryhill then filed this action June 3, 2005. Minarik filed

1 his answer Sept. 6, 2005 including a counterclaim for  
2 intentional interference, based in part on plaintiff's  
3 allegedly inappropriate sole copyright registration of Nova  
4 TAS.

5 **STANDARDS**

6 **1. Summary Judgment**

7 Summary judgment is appropriate "if the pleadings,  
8 depositions, answers to interrogatories, and admissions on  
9 file, together with the affidavits, if any, show that there is  
10 no genuine issue as to any material fact and that the moving  
11 party is entitled to a judgment as a matter of law." Fed. R.  
12 Civ. P. 56(c). Substantive law on an issue determines the  
13 materiality of a fact. T.W. Electrical Service, Inc. v.  
14 Pacific Electrical Contractors Assoc., 809 F.2d 626, 630 (9th  
15 Cir. 1987). Whether the evidence is such that a reasonable  
16 jury could return a verdict for the nonmoving party determines  
17 the authenticity of a dispute. Anderson v. Liberty Lobby,  
18 Inc., 477 U.S. 242, 248 (1986).

19 The moving party has the burden of establishing the  
20 absence of a genuine issue of material fact. Celotex Corp. v.  
21 Catrett, 477 U.S. 317, 323 (1986). If the moving party shows  
22 the absence of a genuine issue of material fact, the nonmoving  
23 party must go beyond the pleadings and identify facts which  
24 show a genuine issue for trial. Id. at 324.

25 Special rules of construction apply when evaluating  
26 summary judgment motions: (1) all reasonable doubts as to the  
27 existence of genuine issues of material fact should be resolved  
28 against the moving party; and (2) all inferences to be drawn

1 from the underlying facts must be viewed in the light most  
2 favorable to the nonmoving party. T.W. Electrical, 809 F.2d at  
3 630.

4 2. Motion to Dismiss

5 Under Fed. R. Civ. P. 12(b)(6), dismissal for failure to  
6 state a claim is proper only when it appears to a certainty  
7 that the plaintiffs can prove no set of facts in support of  
8 their claim that would entitle them to relief. Litchfield v.  
9 Spielberg, 736 F.2d 1352, 1357 (9th Cir. 1984), cert. denied,  
10 470 U.S. 1052 (1985). For the purpose of the motion to  
11 dismiss, the complaint is liberally construed in favor of the  
12 plaintiffs, and its allegations are taken as true. Rosen v.  
13 Walters, 719 F.2d 1422, 1424 (9th Cir. 1983).

14 DISCUSSION

15 1. Copyright claim

16 The United States Copyright Act, 17 U.S.C. §§ 101 et seq.,  
17 was created to preserve the rights of authors and inventors  
18 secured by the U.S. Constitution<sup>1</sup>. Copyright protections  
19 subsist in original works of authorship fixed in a tangible  
20 medium of expression, including computer programs. See 17  
21 U.S.C. §§ 101-102 and Apple Computer v. Franklin Computer, 714  
22 F.2d 1240 (3rd Cir. 1983). A violation of any of the exclusive  
23 rights of a copyright owner as provided by sections 106 through  
24 122 of the Act constitutes infringement. 17 U.S.C. § 501.  
25 Those exclusive rights include the right to reproduce and

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26  
27 <sup>1</sup>"Congress shall have the power to promote progress of science  
28 and useful arts by securing for limited times to authors and  
inventors the exclusive right to their respective writings and  
discoveries." U.S. Const. art. I, § 8, cl. 8.

1 distribute copyrighted work, and the right to prepare  
2 derivative works. 17 U.S.C. §§ 106(1)-(3).

3       a. Copyright ownership

4           At any time during the first term of a work in which  
5 copyright was secured before January 1, 1978, registration of a  
6 copyright claim with the U.S. Copyright Office is permitted,  
7 but not required. 17 U.S.C. § 408(a). Registration is,  
8 however, a prerequisite to filing suit for copyright  
9 infringement and serves as prima facie evidence of copyright  
10 validity. 17 U.S.C. §§ 410-411. The presumption of validity  
11 in an infringement suit based on registration, however, can be  
12 rebutted by defendant's showing that the plaintiff's work is  
13 not original. Three Boys Music Corp. v. Bolton, 212 F.3d 477,  
14 489 (9th Cir. 2000). Thus, the weight to be accorded the  
15 certificate of registration is within the court's discretion.  
16 17 U.S.C. § 410(c).

17           Here, as discussed below, Minarik has provided evidence  
18 that Berryhill's work is not an original work of authorship.  
19 Thus Berryhill's certificate of registration alone does not  
20 provide sufficient proof of ownership.

21       b. Authorship

22           As noted above, an author's rights under the Copyright Act  
23 of 1976 vest not upon registration, but upon fixation of an  
24 original work of authorship in a tangible medium of expression.  
25 17 U.S.C. § 102. "Author" is not defined in the Act, but has  
26 been held to require minimal creativity and originality. See  
27 Feist Publications, Inc. v. Rural Telephone Service, Co., 499  
28 U.S. 340 (1991).

Berryhill alleges Minarik has no rights as an author because he did not write any of the code for Nova TAS. However, in his copyright application, Berryhill notes that his program is a derivative work built from a previous version. A "derivative work" is a work based upon one or more preexisting works. 17 U.S.C. § 101. Neither party claims authorship of the original work from which Nova TAS was derived, thus it is unclear which, if either of the parties, had the exclusive right to prepare a derivative work.

Additionally, both parties allege the development of Nova TAS was to be a partnership. Thus, the possibility exists that Nova TAS is a "joint work" under the Copyright Act. "A 'joint work' is a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole." Id. Both contributions, however, must be copyrightable for each contributor to be deemed an "author." Aalmuhammed v. Lee, 202 F.3d 1227, 1231 (9th Cir. 2000).

Berryhill relies on Ashton-Tate Corp. v. Ross, 916 F.2d 516 (9th Cir. 1990), a case involving authorship of a program jointly developed by two programmers. In Ashton-Tate, programmer Richard Ross agreed to work on the computational component of a program for which programmer Randy Wigginton agreed to work on the user interface. The two partners eventually split, with Wigginton taking his user interface to Ashton-Tate, one of the nation's largest software publishers, and combining it with one of Ashton-Tate's engines to create a spreadsheet program called "Full Impact." Ross claimed Full

1 Impact relied on his previous contribution of ideas and  
2 guidance for the user interface and that he was thus a joint  
3 author of Full Impact. However, the district and appellate  
4 courts held that a mere contribution of ideas did not suffice  
5 to grant Ross authorship rights. Id. at 521.

6 Ashton-Tate differs from this case where Berryhill was  
7 hired to adapt Minarik's pre-existing program. The record  
8 clearly shows that both parties at one time intended their  
9 contributions - Minarik's original software and Berryhill's new  
10 code - to merge into inseparable parts of the new Nova TAS  
11 software. Thus, unlike Ross in Ashton-Tate, Minarik made a  
12 substantial contribution by providing the actual framework for  
13 Berryhill's code adaptation, not just ideas.

14 Finally, both parties discuss at length whether Minarik  
15 employed Berryhill as an independent contractor or employee.  
16 No specific evidence has been provided as to the character of  
17 the working relationship, however, under the Copyright Act, the  
18 authorship of a "work made for hire" vests in the employer.  
19 17 U.S.C. § 201(b). A "work made for hire" is either a work  
20 prepared by an employee within the scope of his or her  
21 employment, or is a work commissioned for use as a contribution  
22 to a "collective work" in one of nine categories. 17 U.S.C. §  
23 101. As noted by Berryhill, computer programs are not included  
24 in the list of categories of a "collective work," but it  
25 remains unclear whether Berryhill was actually employed or  
26 contracted by Minarik.

27 In Community for Creative Non-violence v. Reid, 490 U.S.  
28 730 (1989), the Supreme Court looked to agency law to determine

1 whether an artist commissioned to create a sculpture was an  
2 employee or independent contractor. The court looked at a  
3 nondeterminative list of factors, including: the hiring party's  
4 right to control creation of the work; payment of a salary;  
5 provision of tools and location for the work; duration of the  
6 relationship; whether the hiring party has the right to assign  
7 additional projects; the extent of the hired party's discretion  
8 over when and how long to work; the method of payment; the  
9 hired party's role in hiring and paying assistants; whether the  
10 hiring party is in business; the provision of employee  
11 benefits; and the tax treatment of the hired party. Id. at  
12 751. Neither party explores any of those criteria here, though  
13 it is clear the computer program at issue is not a "collective  
14 work" because computer programs are not included as "collective  
15 works" under the statute.

16 In sum, Berryhill fails to show, and actually provides  
17 evidence in support of the opposite conclusion, that he is the  
18 sole author of the program. Disputed issues of fact exist as  
19 to the parties' employment relationship and regarding  
20 authorship of the original work. Because authorship is a  
21 genuine issue of material fact which cannot be determined from  
22 the record, summary judgment is therefore inappropriate.

23 c. Copyright infringement

24 The legal or beneficial owner of an exclusive right under  
25 a copyright is entitled, subject to the requirements of § 411,  
26 to institute an action for any infringement of that right  
27 committed while he or she is the owner. 17 U.S.C. § 501(b). As  
28 valid ownership is required for an infringement action, and

1 ownership cannot be determined by the record at bar, summary  
2 judgment is inappropriate.

3 2. Intentional interference claim

4 Under 28 U.S.C. § 1331, district courts have original  
5 jurisdiction of all civil actions arising under the  
6 Constitution, laws, or treaties of the United States. Thus,  
7 the question of copyright ownership and infringement is left to  
8 federal courts alone. Rule 13 of the Federal Rules of Civil  
9 Procedure requires a party to plead any counterclaim arising  
10 out of the transaction or occurrence that is the subject matter  
11 of the opposing party's claim. Fed. R. Civ. P. 13.

12 Here, Minarik alleges Berryhill's act of registering the  
13 copyright as sole owner was an intentional interference with  
14 Minarik's business relations. Berryhill moves to dismiss  
15 Minarik's counterclaim for failure to state a claim. Fed. R.  
16 Civ. P. 12(b)(6). The elements of the tort intentional  
17 interference with business relations are: 1) the existence of  
18 a professional or business relationship; 2) intentional  
19 interference with that relationship; 3) by a third party; 4)  
20 accomplished through improper means or for an improper purpose;  
21 5) a causal effect between the interference and the harm to the  
22 relationship; and 6) damages. Allen v. Hall, 328 Or. 276, 280,  
23 974 P2d 199, 202 (1999).

24 Minarik has demonstrated sufficient facts on the record to  
25 support each of those elements and therefore state a claim for  
26 relief pursuant to Rule 12. First, Minarik had an existing  
27 client base for his original system and secured new clients for  
28 Nova TAS. Second and third, Berryhill is a third party who

1 allegedly interfered with those relationships by threatening  
2 the stability of those relations through his copyright  
3 registration, as well as allegedly defaming Minarik to his  
4 clients. Fourth, Minarik presents evidence suggesting that  
5 Berryhill registered the copyright for the improper purpose of  
6 interfering with Minarik's business. Fifth and sixth,  
7 Minarik's complaint suggests Berryhill's actions damaged his  
8 business resulting in monetary damages. Therefore, Berryhill's  
9 motion to dismiss Minarik's counterclaim is denied.

10 Conclusion

11 Plaintiff's motion for summary judgment (doc. 16) and  
12 motion to dismiss (doc. 15) defendant's counterclaim are  
13 denied. Further, 28 U.S.C. § 1367 provides that district  
14 courts shall have supplemental jurisdiction over all other  
15 claims that are so related to claims in the action within such  
16 original jurisdiction that they form part of the same case or  
17 controversy under Article III of the U.S. Constitution. 28  
18 U.S.C. § 1367. Because this court has original jurisdiction to  
19 hear the copyright claim, and defendant has raised a compulsory  
20 counterclaim, this court has supplemental jurisdiction over the  
21 counterclaim and the state court claim should be extinguished.

22 IT IS SO ORDERED.

23 Dated this 14 day of March 2006.

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Ann Aiken

United States District Judge